



# State of the State YUMA

Gov. Janice K. Brewer  
Thursday, January 14, 2010

As you probably know, since Monday, I have been carrying the State of the State message to communities around the state –because the message is IMPORTANT -- and, because I wanted you to hear it from me, PERSONALLY.

Like you, I know that no matter where we live in Arizona, we are a tough-minded bunch.

Strong; iron-willed; and equal to every challenge.

That's a good thing.

Because as we gather today, our still-young state is challenged as never before.

Let me be abundantly clear. I know we will meet this challenge. I believe in Arizona's future. I believe in our strength. I believe in our goodness. And, I believe in our Grace.

I believe Arizona's Second century will far-surpass its first.

Let me be clear about something else as well: Meeting this challenge will not be easy.

I know this for a fact, because if there's one thing I've learned in my years of public service, it's that doing the right thing -- almost always means doing the hard thing.

That's what it will come down to in the days ahead.

Choosing what's tough over what's tempting. Choosing commitment over ignorance. Choosing government that is necessary -- over government that is merely desired. Choosing the truthful over the false.

Honesty, versus lies.

Right, versus wrong.

Those are the choices Arizona faces.

The essence of the challenge laid at our feet.

What's wrong you ask?

Wrong, is the five high-rolling years before I took office when the system was designed and operated to grow government as large as possible.

Wrong, is a state budget deficit of nearly \$5 billion across 2 fiscal years.

Wrong, is a federal government whose unfunded mandates and sweet-heart deals steal Arizona's freedom and threaten to bankrupt our state.

Wrong, is stating that "the system worked" -- when evidence to the contrary is everywhere and obvious.

What's right, you ask?

Right, is telling hard truth even when it exacts a political cost.

Right, is acting not in self-interest but on behalf of others.

Right, is self-sacrifice ... commitment to the greater good ...

And RIGHT can be found ... right here in Yuma

The U.S. Army Yuma Proving Ground is aptly named -- because it PROVES just how successful public-private partnerships can be.

And, last October, I was privileged to participate in the Ceremonial handing over the keys of Quartermaster Depot to the City of Yuma. The Depot is one of the finest historical parks in the southwest -- another example of Yuma working together with the State to improve services to our residents and visitors. Working together, we can keep this unique facility open to the public during these trying economic times. And, it looks like you are on the right track.

Since November 6, 2009 the park has had 14,000 people visit - more than the previous 12 months. So, congratulations to you.

And, here, in the Winter Salad Bowl, your \$9.2 billion agricultural industry is a powerful economic engine – generating local employment. It's exactly what we need

Last spring, you will recall that I offered you a five-point approach to resolving this fiscal crisis and restoring our economic vitality.

In my year on the job I have grown wiser -- and time has grown shorter.

And I know times are tough.

So today, let me open these proceedings by offering you a deal -- a 40% cutback .... I'm going to boil my 5 points -- down to 3.

First, we must make further, substantial cuts in spending.

The economy has still not recovered, our revenues are still depressed and there is no avoiding this hardship.

More state jobs are going to be shed and services are going to be further curtailed or lost.

Let me be clear, in the history of this state no other Governor no has cut state government more than I have.

Working with you we have reduced government spending more than \$1 billion and decreased state jobs more than 10%.

But -- as I have stated from the beginning .... the depth of the problem is so severe that we cannot solve it through cuts alone.

The damage done to education, and public safety would be far too great.

And, fiscally counter-productive.

So second, In the short run -- we must raise some additional revenue.

Just as with the reductions in spending, the longer we put this off, the less effective it will be in stabilizing our financial position.

Over the long run I support a responsible pro-growth tax reform package that includes tax cuts.

However -- we must ensure a revenue base that supports vital functions through this downturn.

And we can no longer consider debt as a source of state revenue.

Third -- we must make certain that the state never again spends itself into this kind of fiscal crisis.

So, after we have reduced spending, shored up revenue, and, moved away from the brink of financial failure, we must enact a limitation on the future growth of government, and save more, for a rainy day.

Government must live within its means.

I did not create this situation -- but I intend to resolve it -- and continue telling the people the truth about it.

Some people here and some who hope to try their own hand at this job -- might differ with one or more of these steps.

That's fine.

But I have a straight-forward message for you.

If you have a better plan, produce it.

And, soon!

As for me, I will publish my plan on Friday.

And let me make one point very clear.

There is no one here, and no one elsewhere, who has fought any longer or harder than I have for lower taxes, job growth and economic freedom in Arizona.

Tell us clearly how you would solve a \$5 billion problem over the next 17 months.

The suggestion box is wide open.

While you're preparing your plans, do bear in mind that even with the new revenues I have proposed ... the cuts to government will be deep and unprecedented.

Some people say that with revenues back to 2004 levels -- we should just

adopt the 2004 budget.

Unfortunately, we don't get to roll back the odometer on state government.

At least, not without some help from the voters.

Since 2004, we have 140,000 new students, 11,000 new prisoners -- and 475,000 new Medicaid enrollees.

And all of the mandated expenses they bring.

Making the best of the situation requires hard choices with tough consequences.

But if we keep our priorities straight we will make it through.

My friends, there is still time.

But if we do not act decisively, we will look to the west to California and see our future -- government over-grown -- people over-taxed -- borders over-run -- employers over a barrel -- and freedom ... simply over.

And looking east we can see it on a far grander scale.

Our federal government has reached new levels of arrogance, foolishness and disregard for the Constitution.

The biggest external threat to our budget comes from the federal government -- oppressive health care mandates, job-killing environmental restrictions, and continual refusal to pay for costs associated with illegal immigration.

And they're just getting warmed up!

I met recently with members of Arizona's federal delegation and asked them to defeat a costly expansion of federal health care mandates on our state.

Already, federal mandates on health care cost nearly \$ 2 billion a year.

Folks, that's money we simply don't have.

On top of that, Washington's alleged solution will cost Arizona another half billion dollars every year.

Only in Washington can they look upon massive federal entitlement programs bleeding red ink -- and propose an even bigger new entitlement program.

This is how it goes in Washington.

When you begin by spreading the wealth around -- you end up destroying it.

The President and the Congress tell us they are going to help by reducing costs.

In reality, what they are doing is eliminating freedom for our citizens, dictating the policies they must buy for their families, and forcing our employers and the state to pick up the tab.

We don't need that kind of help.

At last count, 14 Attorneys General, Republican and Democrat are investigating this legislation for violating the 10th Amendment to the United States Constitution.

As you know, in the past, I successfully joined the Legislature and Superintendent Tom Horne to represent the State of Arizona against the Arizona Attorney General at the U.S. Supreme Court in the Flores case.

Today, if our Attorney General will not join this effort to defend the State of Arizona against this infringement on States rights -- I will.

Until then -- I have a simple message to every member of our delegation, for the good of our state -- just vote "NO".

The federal government is also failing to control our southern border and refusing to pay for its failure.

As you know, I have ordered the Arizona Department of Corrections to return to the custody of U.S. Immigration and Customs Enforcement -- -- as soon as possible -- all non-violent criminal aliens for immediate deportation as allowed under existing law.

The cost of incarcerating these criminal aliens is not Arizona's responsibility.

It is Washington's legal and moral obligation.

This is both insult and injury to Arizona taxpayers.

Washington also likes to pretend that Government creates jobs.

But, we know better.

No government ever created a dollar of wealth or a dime of capital.

Only the free market can do that.

Meeting our economic challenges means working with the private sector to jump-start Arizona's economy.

As long as I am your Governor, the sign out front will always read ARIZONA IS OPEN FOR BUSINESS.

And the word is already getting out.

Recently, I was proud to announce the arrival of Suntech Power Holdings.

It's the first solar company to come to Arizona because of the renewable energy tax incentive program I signed into law in June.

Suntech is just the beginning.

Just a few days ago, I helped secure an agreement from Tower Automotive, a leading auto supplier that has diversified into the production of solar equipment, to come to Arizona and invest more than \$50 million, and create nearly 200 quality jobs.

Jobs that will put Arizonans back to work and help Arizona families get back on their feet.

Suntech, and Tower Automotive are strategic wins for our state, proof that we can leverage our natural assets like our plentiful sunshine and land, as well as our employee base and educational community, to attract new and better jobs every day.

While we welcome new leaders to Arizona, we must not forget those who are already here, fighting every day to create new opportunities.

Industries and small businesses who have been hit hard but who are choosing to stick it out with us.

I say, "thank you."

We need to do more to un-shackle our job creators.

During the last year, I have met with hundreds of business leaders about job creation.

And -- while I'm talking about jobs, let me say we should do everything we can to see that Arizona is named a training site for the F-35 Joint Strike Fighter -- right

here at the Marine Air Corps Station -- as well as Luke Air Force Base; and the Air National Guard's Fighter Wing in Tucson.

As a child raised on a military base -- I have a special affection for those who serve in the armed forces.

Every one of Arizona's military bases is critical to our national defense -- and to our state and local economies.

I would like to thank the men and women who currently support our nation's call to serve in either the active or reserve component of the Army, Air Force, Navy or Marines.

Please join me in saluting them for their daily sacrifice, along with their spouses, children and extended families.

May God bring them -- and all of Arizona's service men and women safely home.

From these discussions, I am announcing the formation of a Governor's Jobs Cabinet -- a team of key state agency directors that will cut through the red tape and -- the green tape -- to speed job creation.

I am allocating a significant portion of remaining federal stimulus funds directly to bring new jobs to Arizona.

Specifically, I am devoting \$10 million in one-time federal stimulus funds for job training.

Under the leadership of Jerry Colangelo and Commerce Director Don Cardon ... I have created the Governor's Commerce Advisory Council.

Working with other Arizona business leaders, they will transform the Department of Commerce into an engine for job creation.

Let's recognize that even with a favorable tax and regulatory climate...the jobs of the future will demand an increasingly-skilled workforce.

And that starts with our schools and universities.

I'd like to recognize the work to-date by the regents and Presidents of our universities and community colleges.

Back in April I called the Regents to begin reforming our higher education business model and I specifically asked that the models be affordable, predictable, and accountable.



I said it then and I'll say it now. Having almost all of our undergraduates in research-level universities is too expensive. Now I want to thank them and the community colleges for their response.

The solutions that are being proposed such as regional partnerships with community colleges, university centers, or new campuses will look different from region to region as needs may vary, but we must focus on a solution that is statewide and long-term.

Let me also say thank-you --to the dedicated teachers who give so much to our students.

Without them, no challenge could be met --no future assured.

We must never give up attracting top talent to teach our children.

And as we search for that talent -- let's not limit ourselves to the traditional colleges of education.

We must stop our gate-keeping and open the doors to all qualified and skilled citizens who want to teach our children.

That said -- teachers are only one part of the education equation.

Engaged parents must balance educators' contributions and play an active role in their children's learning.

No teacher can ever substitute for an involved parent.

But we must give parents the ability to make the best choices for their children.

Starting with where they go to school.

We lead the nation in school choice.

In Arizona --a parent's right to choose the best school must endure -- whether that's a district, private, charter or home school.

We must also arm parents with the information they need to help monitor their children's academic progress.

We will make sure they have up-to-date data that is available on-line --at any time.

We must also tell parents the truth about how their kids' schools are doing.

To that end, I'm urging the Legislature and the state Department of Education to immediately replace our school labeling system.

Our current system rates schools as "excelling", "highly performing", "performing plus", "performing", "under-performing" and "failing".

Who understands that?

How about this?

We assign simple letter grades --"A", "B", "C", "D" and "F".

Our kids live by those grades every day --so should our schools.

And finally --we must have the courage to tell parents the truth when their children are not doing well.

Frederick Douglas said, "Once you learn to read, you will be forever free."

Sadly, too many of our children are still unable to read as they should by the end of third grade.

Yet, we continue to promote them to more advanced classes, knowing that at every step we dim the light of their promise.

We must stop promoting children who cannot read by the end of third grade.

And we should know well before third grade those students who are falling behind and get them the help they need.

The reforms should not stop at education.

Our state Government today --is not suited for Arizona's Second Century.

So, I'm establishing the Commission on Privatization and Efficiency to identify state services and agencies whose functions can be eliminated, consolidated, streamlined or outsourced to achieve greater operational efficiency in meeting the needs of our citizens.

Mark Brnovich, my Director of the Department of Gaming, and former Director of the Center for Constitutional Government at the Goldwater Institute, will serve as chairman.

I am also proposing reforms to our existing Medicaid program, AHCCCS --beginning with one that's quite fundamental.

In these times voters must be asked to re-consider the Prop 204 expansion.

Contrary to what voters were told, there is no such thing as free health care.

Supporters assured us that it would be covered by tobacco revenue.

But in reality -- almost \$1 billion of our General Fund deficit can be directly attributed to this enormous expansion.

We must ask the voters to, roll it back.

While we agree we must provide essential services for those with no place else to turn...we must only offer those benefits necessary and ensure that we have a program free of abuse or waste.

To that end, I'm instructing AHCCCS to pursue changes to require a photograph on every adult enrollee's card so only the right person is getting the treatment.

I'm also instructing AHCCCS to explore options to reward those health care providers who help us drive down costs --while maintaining the high quality care our program is known for.

Because budget cuts within state government have resulted in reduced or limited funding for services for our most vulnerable -- the elderly, disabled and low-income residents, I'm establishing Arizona Serves.

With the assistance of the Arizona Department of Economic Security, Arizona Serves will connect faith-based and non-profit organizations to help meet those needs.

My fellow Arizonans, these are difficult days that providence has set before us.

I do not shrink from them.

I do not cower.

And, neither should you.

The moments before us are profound and in many ways -- painful.

But they are filled with hope and opportunity.

We are a young state.

Arizona's best days are still to come if we make the right decisions.

So, let us do what we need to do.

Let us be truth-tellers.

Let us commit to an Arizona revival equal to her spirit -- equal to the promise of her second century, a government that is limited in scope but unrestrained in its goodness.

That is what is expected of us.

And, that is exactly what we will do.

Thank you, may God bless you and your families -- and may God bless Arizona.